

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902-E) for Approval of its 2022
Electric Procurement Revenue Requirement
Forecasts and GHG-Related Forecasts

Application 21-04-010
(Filed April 15, 2021)

**COMMENTS OF SAN DIEGO COMMUNITY POWER AND
CLEAN ENERGY ALLIANCE IN SUPPORT OF THE PROPOSED DECISION**

Jacob Schlesinger
Lee Ewing
Keyes & Fox LLP
1580 Lincoln St., Suite 1105
Denver, CO 80203
Phone: (970) 531-2525
E-mail: jschlesinger@keyesfox.com
lewing@keyesfox.com

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*Counsel to San Diego Community Power
and Clean Energy Alliance*

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Pursuant to California Public Utilities Commission (“Commission”) Rules of Practice and Procedure Rule 14.6(b), San Diego Community Power (“SDCP”) and the Clean Energy Alliance (“CEA”) (collectively, the “CCA Parties”) submit these comments on the Proposed Decision of Administrative Law Judge Long, issued on December 1, 2021, Approving San Diego Gas & Electric Company’s (“SDG&E”) 2022 Electric Procurement Revenue Requirement Forecasts and GHG Related Forecasts (the “Proposed Decision”).¹

I. INTRODUCTION

CCA Parties strongly support the Proposed Decision, which should be commended for its thorough and well-reasoned analysis of the issues in this proceeding. In particular, the Proposed Decision correctly found that:

- “both the indifference standard and the lateness of the proposal in the November Update justify denying SDG&E’s proposal” to delay recovery of its 2018 and 2019 Green Tariff Shared Renewables (“GTSR”) Balancing Account (“GTSRBA”) until April 1, 2022 and amortize the balance over 21 months;

¹ Application (“A.”) 21-04-010, *[Proposed] Decision Approving the San Diego Gas & Electric Company 2022 Electric Procurement Revenue Requirement Forecast and the Greenhouse Gas-Related Forecasts* (December 1, 2021) (“Proposed Decision”).

- “consolidating the annual ERRA Sales Forecast with annual ERRA Forecast ha[s] much merit”;
- SDG&E must include workpapers from the prior ERRA Forecast proceeding in its response to the Master Data Request “for all future SDG&E ERRA Forecast applications and SDG&E’s other ERRA-related applications”; and
- SDG&E must include certain testimony in future ERRA proceedings that ensures that its “ERRA-related applications . . . are competent, complete, and accurate.”

Through these findings, the Proposed Decision demonstrates its commitment to both prevent cross-subsidization and ensure that future rates are accurate, just, and reasonable. Rejecting SDG&E’s proposal to prolong recovery of its GTSRBA will help ensure that only participating customers bear the costs of the GTSR program. Further, combining the sales forecast and ERRA Forecast process in the future will avoid many of the pitfalls encountered in both the 2021 and the current 2022 ERRA Forecast Application. Integration of the up-to-date sales forecast into the ERRA Forecast Application will create an efficient process for developing rates that are based on the most accurate and up-to-date information. CCA Parties look forward to a final decision on this issue in SDG&E’s 2022 sales forecast proceeding, A.21-08-010.

Finally, the Proposed Decision promotes fairness, transparency, and accuracy in SDG&E’s rates by requiring it to provide workpapers from prior ERRA Forecast proceedings and to include quality control testimony in future ERRA-related applications. To ensure that rate transparency and accuracy is achieved, CCA Parties recommend minor changes that don’t conflict with, but rather clarify, the apparent intent of the Proposed Decision. In particular, CCA Parties recommend changes to Ordering paragraph 3, and to corresponding paragraphs in the Findings of Fact and Conclusions of Law sections, to direct SDG&E to provide in response to future Master Data

Requests the prior year's Power Charge Indifference Adjustment ("PCIA") workpapers, rather than the prior year's Portfolio Allocation Balancing Account ("PABA") workpapers. Indeed, it is SDG&E's PCIA workpapers that will shed light on the accuracy of its PABA forecasted balance.

II. COMMENTS

A. The Proposed Decision Correctly Rejects the SDG&E's Late Proposal to Extend the Amortization of Its 2018 and 2019 GTSR Balance.

In its Application, SDG&E requested recovery in 2022 "of the undercollected 2018 GTSRBA ending balance of \$0.125 million and 2019 GTSRBA undercollection of \$2.019 million."² In its November Update, with just roughly a month remaining in the proceeding and after the opportunity for hearing and responsive testimony had passed, SDG&E modified its request to delay collection of these balances by a year. However, SDG&E also acknowledged that it projects decreasing participation in the GTSR program,³ meaning that extended recovery will place the burden of these balances on fewer and fewer customers. Moreover, SDG&E indicated that it may suspend the GTSR program,⁴ but declined to address how it will recover the GTSRBA in such an event.⁵

Consequently, the Proposed Decision correctly found "that both the indifference standard and the lateness of the proposal in the November Update justify denying SDG&E's proposal [to extend amortization for the GTSRBA]."⁶ The Commission should adopt this finding of the

² Exh. No. SDGE-001, SF-23:18-20.

³ Exh. No. SDGE-019, GM-27:11-13.

⁴ *Id.*, GM-27:15-17.

⁵ Exh. No. CCA-020.

⁶ Proposed Decision, p. 15.

Proposed Decision to ensure that SDG&E does not shift GTSR costs to non-participating customers, in violation of the law.⁷

B. The Proposed Decision Moves SDG&E Closer to an Efficient Process for Incorporating an Updated Sales Forecast Into SDG&E's ERRA Forecast Applications.

The tortured history of SDG&E's use of sales forecasts in its ERRA Forecast applications is well documented in other pleadings in this proceeding⁸ and will not be repeated here. CCA Parties appreciate the Proposed Decision's recognition that "consolidating the annual ERRA Sales Forecast with [the] annual ERRA Forecast ha[s] much merit."⁹ SDG&E similarly revised its position on the sales forecast in this proceeding, agreeing that it should be "authorized to include an annual sales forecast within the ERRA forecast application" CCA Parties encourage the Commission to provide such authorization, which is consistent with how Pacific Gas and Electric Company and Southern California Edison Company currently treat their respective sales forecasts.¹⁰

However, CCA Parties recognize that the issue has been specifically presented in SDG&E's 2022 sales forecast proceeding, A.21-08-010, and no party to that proceeding opposes combining future ERRA Forecast and sales forecast applications. Accordingly, CCA Parties

⁷ Cal. Pub. Util. Code § 2833(q) ("The Commission shall ensure that charges and credits associated with a participating utility's green tariff shared renewables program are set in a manner that **ensures nonparticipant ratepayer indifference** for the remaining bundled service, direct access, and community choice aggregation customers and ensures that no costs are shifted from participating customers to nonparticipating ratepayers.") (emphasis added).

⁸ See e.g., A.21-04-010, *Joint Protest of San Diego Community Power and Clean Energy Alliance to the Applications of San Diego Gas & Electric Company*, pp. 5-7 (May 21, 2021); A.21-04-010, *Comments of San Diego Community Power and Clean Energy Alliance on Scope of Issues* (June 7, 2021); A.21-04-010, *Opening Brief of San Diego Community Power and Clean Energy Alliance*, pp. 11-15 (Sept. 24, 2021); A.21-04-010, *Reply Brief of San Diego Community Power and Clean Energy Alliance*, pp. 8-10 (Oct. 8, 2021); Exh. No. CCA-001, 14:3 – 18:4.

⁹ Proposed Decision, p. 16.

¹⁰ Exh. No. SDGE-007, GRM-3:18-21.

support the Proposed Decision’s approach to the sales forecast in this proceeding and will continue to join other parties in advocating for a combined ERRA Forecast and sales forecast application in A.21-08-010.

C. With Slight Modifications, the Proposed Decision Promotes Transparency, which Is Necessary to Ensuring Accurate Rates.

Transparency is critical to ensuring that rates are accurate, just, and reasonable, and interested parties must have an opportunity to review the information supporting those rates. Unfortunately, in this proceeding, SDG&E prevented a complete review of its proposed rates by refusing to provide workpapers supporting the previously-approved 2021 PCIA revenue requirement and rates (“2021 PCIA Workpapers”). The difference between the actual 2021 PCIA revenue requirement and the revenue collected through approved PCIA rates forms the projected 2021 PABA balance that SDG&E proposes for use in this proceeding. The projected PABA balance in turn will be folded into SDG&E’s proposed 2022 PCIA revenue requirement, a significant component of which can be the prior year’s PABA balance.¹¹ Without the 2021 PCIA Workpapers, parties to this proceeding were unable to fully investigate the reasonableness of the proposed 2022 PCIA revenue requirement. The potential consequences of SDG&E’s resistance to transparency were demonstrated when SDG&E revealed just eight days before Opening Briefs that it had discovered an error in its projected PABA billed revenue for 2021, which led to a roughly \$100 million reduction in its projected 2021 year-end PABA balance overcollection and subsequently the PCIA revenue requirement.¹² This error led to SDG&E forecasting significantly lower PCIA rates in its Application than it would have with correct data, causing confusion and sending faulty price signals.

¹¹ Exh. No. CCA-001, 18:17-20.

¹² Exh. No. SDGE-011.

As the Proposed Decision found, “[c]learly here the prior workpapers may have been relevant in that the CCA Parties may have discovered SDG&E’s forecast error sooner, and perhaps even other errors in the application.”¹³ The Proposed Decision also found that SDG&E’s arguments regarding the relevance of these 2021 PCIA Workpapers to this 2022 ERRa Forecast proceeding “misled” the Presiding Officer.¹⁴ Consequently, the Proposed Decision requires SDG&E to include “prior year’s workpapers” in its response to the Master Data Request in “all future SDG&E ERRa Forecast applications and SDG&E’s other ERRa-related applications.”¹⁵ Further, to prevent recurrence of the errors arising in this proceeding, the Proposed Decision requires that:

in all subsequent ERRa proceedings SDG&E’s Chief Regulatory Officer, or successor executive position, must serve testimony that describes and justifies that officer’s implementation, use and active oversight, of an effective internal control and review process, exercised by all the responsible officers and managers, over the preparation of a rate application and its supporting testimony so that there is little likelihood of a material error in in subsequent ERRa-related applications and for management to ensure that future filings are competent, complete, and accurate.¹⁶

CCA Parties support both directives and commend the Proposed Decision for taking an important step towards ensuring that future rates adopted in ERRa proceedings are just, reasonable, and accurate. While the Proposed Decision’s discussion of this issue is thorough and well-reasoned, CCA Parties recommend minor changes to a single paragraph in each of the Findings of Fact, Conclusions of Law, and Ordering Paragraphs sections to ensure that the intent of the discussion is accurately captured.

¹³ Proposed Decision, pp. 17-18.

¹⁴ *Id.*, p. 17.

¹⁵ *Id.*, pp. 17-18.

¹⁶ *Id.*, pp. 18-19.

Specifically, the Commission should modify Ordering Paragraph 3 to require SDG&E to provide the prior year's workpapers for the PCIA revenue requirement and rates, rather than the PABA, in the master data request for its subsequent ERRA Forecast applications. This is because the prior year's PCIA revenue requirement and rates are what forms the basis for SDG&E's proposed PABA balance in the current proceeding. The Commission and parties must be able to analyze the underlying PCIA workpapers from the prior year in order to understand whether the proposed PABA balance is based on reasonable assumptions and accurate inputs. The Commission should also reflect this change in the Findings of Fact and Conclusions of Law, as detailed in Attachment A to these Opening Comments.

III. CONCLUSION

CCA Parties reiterate their strong support for the Proposed Decision but respectfully request minor modifications to ensure that SDG&E provides all information necessary to review the proposed year-end PABA in future ERRA proceedings.

Respectfully submitted,



Jacob Schlesinger
Lee Ewing
Keyes & Fox LLP
1580 Lincoln St. Suite 1105
Denver, CO 80203
Phone: (970) 531-2525
Email: jschlesinger@keyesfox.com

*Counsel to San Diego Community Power
and Clean Energy Alliance*

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ATTACHMENT A

Pursuant to Rule 14.3(b) of the Commission's Rules of Practice and Procedure, CCA Parties offer the following index of recommended changes to the [PROPOSED] DECISION ADOPTING 2022 ELECTRIC PROCUREMENT REVENUE REQUIREMENT FORECASTS AND GREENHOUSE GAS-RELATED FORECASTS FOR SAN DIEGO GAS & ELECTRIC COMPANY, including proposed changes to the Findings of Fact, Conclusions of Law and Ordering Paragraphs. CCA Parties proposed revisions appear in underline and strike-through.

Findings of Fact

6. The prior year's workpapers for the ~~PABA~~ PCIA are not currently in the master data request for the ERRRA forecast proceedings.

Conclusions of Law

5. Including the prior year's workpapers for the ~~PABA~~ PCIA in SDG&E's master data request for subsequent ERRRA forecast proceedings is reasonable.

Ordering Paragraphs

3. San Diego Gas & Electric Company shall include the prior year's workpapers for the ~~Portfolio Allocation Balancing Account~~ approved Power Charge Indifference Adjustment revenue requirement and rates in the master data request for its subsequent Electric Resource Recovery Account forecast applications.